



Senate

General Assembly

February Session, 2006

File No. 104

Senate Bill No. 502

Senate, March 23, 2006

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING UNFAIR TRADE PRACTICES AND CASH DISCOUNTS FOR GASOLINE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 42-133ff of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2006*):

4 (c) Nothing in this section shall prohibit any seller from offering a
5 discount to a buyer to induce such buyer to pay by cash, check or
6 similar means rather than by credit card. No person engaged in the
7 business of furnishing gasoline to a retail distributor of gasoline in this
8 state shall prohibit such retailer from offering a discount to a buyer to
9 pay cash for such gasoline. A violation of this subsection shall be
10 deemed an unfair or deceptive trade practice under subsection (a) of
11 section 42-110b.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2006</i>	42-133ff(c)
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GL *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Consumer Protection, Dept.; Attorney General	Various - Revenue Gain	Potential Minimal	Potential Minimal

Municipal Impact: None

Explanation

The bill makes it an unfair trade practice for a gasoline supplier to prohibit its retailer from offering a cash discount to a customer. Under the Connecticut Unfair Trade Practices Act (CUTPA), the Department of Consumer Protection (DCP) and the Attorney General can impose CUTPA fines.

In the case of settlements, depending on the negotiation terms, funds are either deposited into the DCP's Consumer Protection Settlement Account or the unrestricted resources of the General Fund. Funds deposited into the Consumer Protection Settlement Account are used only to enhance activities that further consumer protection. In FY 05, \$92,298 in CUTPA fines were deposited into the DCP Consumer Protection Settlement Account. Additionally, in FY 05, \$356,751 in CUTPA fines were deposited into the General Fund as a result of settlements negotiated by the Office of the Attorney General (OAG). The state agencies could accommodate the workload associated with enforcement of the bill without requiring additional resources. To the extent that the bill increases the potential for future violations, the bill could result in a minimal revenue gain to the state.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis
SB 502

AN ACT CONCERNING UNFAIR TRADE PRACTICES AND CASH DISCOUNTS FOR GASOLINE.

SUMMARY:

This bill prohibits gasoline suppliers from prohibiting their retailers from offering discounts to cash customers. Sellers may offer discounts for cash, check, or similar means other than a credit card. The bill makes a violation of either provision an unfair trade practice.

EFFECTIVE DATE: October 1, 2006

BACKGROUND

Connecticut Unfair Trade Practices Act (CUTPA)

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the consumer protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. The act also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorneys fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 15 Nay 0 (03/09/2006)